

Senator Michael G. Waddoups proposes to substitute the following bill:

CONDOMINIUM OWNERSHIP ACT

1999 GENERAL SESSION

STATE OF UTAH

Sponsor: Michael G. Waddoups

AN ACT RELATING TO THE CONDOMINIUM OWNERSHIP ACT; PROVIDING THE MANNER BY WHICH TIMESHARE INTERESTS ARE TO BE VALUED FOR PROPERTY TAX PURPOSES; MAKING TECHNICAL CHANGES; AND PROVIDING FOR RETROSPECTIVE OPERATION.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

57-8-27, as last amended by Chapter 73, Laws of Utah 1987

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **57-8-27** is amended to read:

57-8-27. Separate taxation.

(1) Each unit and its percentage of undivided interest in the common areas and facilities shall be ~~[deemed]~~ considered to be a parcel and shall be subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law, including ~~[but not limited to,]~~ ad valorem levies and special assessments. Neither the building or buildings, the property, nor any of the common areas and facilities may be considered a parcel.

In the event any of the interests in real property made subject to this chapter by the declaration are leasehold interests, if the lease creating these interests is of record in the office of the county recorder, if the balance of the term remaining under the lease is at least 40 years at the time the leasehold interest is made subject to this chapter, if units are situated or are to be situated on or within the real property covered by the lease, and if the lease provides that the lessee shall pay all taxes and assessments imposed by governmental authority, then until ten years prior to the

26 date that the leasehold is to expire or until the lease is terminated, whichever first occurs, all taxes
 27 and assessments on the real property covered by the lease shall be levied against the owner of the
 28 lessee's interest. If the owner of the reversion under the lease has executed the declaration and
 29 record of survey map, until ten years prior to the date that the leasehold is to expire, or until the
 30 lease is terminated, whichever first occurs, all taxes and assessments on the real property covered
 31 by the lease shall be separately levied against the unit owners having an interest in the lease, with
 32 each unit owner for taxation purposes being considered the owner of a parcel consisting of his
 33 undivided condominium interest in the fee of the real property affected by the lease.

34 (2) No forfeiture or sale of the improvements or the property as a whole for delinquent real
 35 estate taxes, special assessments, or charges shall divest or in anywise affect the title to an
 36 individual unit if the real estate taxes or duly levied share of the assessments and charges on the
 37 individual unit are currently paid.

38 (3) Any exemption from taxes that may exist on real property or the ownership of the
 39 property may not be denied by virtue of the submission of the property to this chapter.

40 (4) ~~h~~ **[[Timeshare interests and timeshare estates, as defined in Subsection 57-19-2**
 40a **(17), may**
 41 **not be separately taxed but shall be valued, assessed, and taxed at the unit level.]]** ~~h~~ The
 41a value of
 42 timeshare interests and timeshare estates, h [as defined in Subsection 57-19-2(17);] h for purposes of
 43 ad valorem taxation, shall be determined by valuing the real property interest associated with the
 44 timeshare interest or timeshare estate, exclusive of the value of any intangible property and rights
 45 associated with the acquisition, operation, ownership, and use of the timeshare interest or
 46 timeshare estate, including the fees and costs associated with the sale of timeshare interests and
 47 timeshare estates that exceed those fees and costs normally incurred in the sale of other similar
 48 properties, the fees and costs associated with the operation, ownership, and use of timeshare
 49 interests and timeshare estates, vacation exchange rights, vacation conveniences and services, club
 50 memberships, and any other intangible rights and benefits available to a timeshare unit owner.
 51 Nothing in this section shall be construed as requiring the assessment of any real property interest
 52 associated with a timeshare interest or timeshare estate at less than its fair market value. Notice
 53 of assessment, delinquency, sale, or any other purpose required by law is considered sufficient for
 54 all purposes if the notice is given to the management committee.

55 Section 2. **Retrospective operation.**

56 This act has retrospective operation to January 1, 1999.